

Senate File 491 - Introduced

SENATE FILE 491
BY COMMITTEE ON LABOR AND
BUSINESS RELATIONS

(SUCCESSOR TO SSB 1032)

A BILL FOR

1 An Act establishing a new remote worker grant fund and program
2 to be administered by the economic development authority and
3 making appropriations.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 15.221 New remote worker grant
2 program.

3 1. a. The economic development authority shall, pursuant to
4 section 15.106A, subsection 1, paragraph "o", establish a new
5 remote worker grant fund for the purpose of providing grants to
6 new remote workers pursuant to this section.

7 b. The fund may consist of any moneys appropriated by the
8 general assembly for purposes of this section and any other
9 moneys that are lawfully available to the authority, including
10 moneys transferred or deposited from other funds created
11 pursuant to section 15.106A, subsection 1, paragraph "o".

12 c. The authority shall use any moneys specifically
13 appropriated for purposes of this section only for the purposes
14 of this section.

15 d. Notwithstanding section 8.33, moneys remaining in the
16 fund at the end of each fiscal year shall not revert to any fund
17 and shall remain in the fund.

18 e. There is appropriated from the general fund of the state
19 to the new remote worker grant fund the sum of two million
20 five hundred thousand dollars for the new remote worker grant
21 program. The moneys shall be allocated by the authority as
22 follows:

23 (1) For the fiscal year beginning July 1, 2021, five hundred
24 thousand dollars.

25 (2) For the fiscal year beginning July 1, 2022, five hundred
26 thousand dollars.

27 (3) For the fiscal year beginning July 1, 2023, five hundred
28 thousand dollars.

29 (4) For the fiscal year beginning July 1, 2024, five hundred
30 thousand dollars.

31 (5) For the fiscal year beginning July 1, 2025, five hundred
32 thousand dollars.

33 2. As used in this section, unless the context otherwise
34 requires:

35 a. "*Coworking space*" means a shared office space in which

1 individuals that are not employed by the same organization work
2 independently or collaboratively.

3 *b. "New remote worker"* means an individual who meets all of
4 the following requirements:

5 (1) Is a full-time employee, as defined by the individual's
6 employer.

7 (2) Performs the majority of the worker's duties for the
8 business remotely from a home office or a coworking space
9 located in this state.

10 (3) Is a resident of this state.

11 *c. "Qualifying remote worker expenses"* means actual,
12 substantiated costs that a new remote worker incurs for any
13 of the following that are necessary to perform the new remote
14 worker's employment duties and that are not reimbursed by the
15 employer:

16 (1) Relocation to a community in this state with a
17 population of fifteen thousand or less as reported in the most
18 current federal decennial census.

19 (2) Computer software and hardware.

20 (3) Broadband access or upgrade.

21 (4) Membership in a coworking space or a similar space.

22 *d. "Resident"* means a natural person who has physically
23 resided in this state as the person's principal and primary
24 residence or domicile for a period of not less than ninety
25 consecutive days immediately before applying for a grant under
26 the new remote worker grant program and who has been issued an
27 Iowa driver's license or an Iowa nonoperator's identification
28 card.

29 3. A new remote worker shall be eligible for a grant under
30 this program for qualifying new remote worker expenses in an
31 amount not to exceed five thousand dollars per calendar year
32 for a maximum of two calendar years.

33 4. A new remote worker that receives a grant under the
34 program must remain employed full-time and must remain a
35 resident of this state for a minimum of one calendar year after

1 the date of receipt of the grant or the grant is subject to
2 recapture by the authority.

3 5. The authority shall adopt rules pursuant to chapter 17A
4 to implement and administer this section. The authority may
5 adopt rules on an emergency basis as provided in section 17A.4,
6 subsection 3, and section 17A.5, subsection 2, to administer
7 this section and the rules shall be effective immediately upon
8 filing unless a later date is specified in the rules. Any
9 emergency rules adopted in accordance with this section shall
10 also be published as a notice of intended action as provided
11 in section 17A.4, subsection 1.

12 6. The authority shall submit a report to the general
13 assembly and the governor's office that provides the total
14 number of grants awarded, the amount of each grant, the city
15 and county in this state in which each grantee resides, whether
16 the new remote worker works out of the person's home or a
17 coworking space, and if applicable, the city and county in
18 which the coworking space is located. The report shall be
19 submitted by January 31 of each year for the prior calendar
20 year.

21 Sec. 2. Section 422.7, Code 2021, is amended by adding the
22 following new subsection:

23 NEW SUBSECTION. 63. Subtract, to the extent included, the
24 amount of any grant provided pursuant to the new remote worker
25 grant program under section 15.221.

26 EXPLANATION

27 The inclusion of this explanation does not constitute agreement with
28 the explanation's substance by the members of the general assembly.

29 This bill establishes a new remote worker grant fund
30 (fund) and a new remote worker grant program (program) to be
31 administered by the economic development authority (authority).

32 The bill requires the authority to establish the fund for
33 the purpose of providing grants exempt from state income tax
34 to new remote workers (worker). The fund consists of any
35 moneys appropriated by the general assembly and any other

1 moneys available to the authority, including moneys transferred
2 or deposited from other funds created under Code section
3 15.106A(1)(o). The authority must use any moneys specifically
4 appropriated for the program only for purposes of the program.
5 Moneys remaining in the fund at the end of each fiscal year do
6 not revert and remain in the fund.

7 The bill appropriates \$2.5 million from the general fund of
8 the state to the fund for the program. For each fiscal year
9 during the period beginning July 1, 2021, and ending June 30,
10 2026, the authority is required to allocate \$500,000 for the
11 program.

12 The bill defines a "worker" as an individual who is a
13 full-time employee as defined by the individual's employer, who
14 performs the majority of the worker's duties remotely from a
15 home office or a coworking space located in this state, and
16 who is a resident of this state. "Resident" is defined as
17 a natural person who has physically resided in this state as
18 the person's principal and primary residence or domicile for a
19 period of not less than 90 consecutive days immediately before
20 applying for a grant and who has been issued an Iowa driver's
21 license or an Iowa nonoperator's identification card.

22 Under the bill, a worker is eligible for a grant for
23 qualifying remote worker expenses (expenses) in an amount not
24 to exceed \$5,000 per calendar year. "Expenses" is defined in
25 the bill as actual, substantiated costs that a worker incurs
26 for relocation to a community in this state with a population
27 of 15,000 or less, computer software and hardware, broadband
28 access or upgrade, and membership in a coworking space. The
29 expenses must be necessary to perform the worker's employment
30 duties and cannot also be reimbursed by the employer.
31 "Coworking space" is defined in the bill.

32 A worker is eligible for a grant for a maximum of two
33 calendar years. A worker that is awarded a grant under the
34 program must remain employed full-time and must remain a
35 resident of this state for a minimum of one calendar year after

1 the date of receipt of the grant, or the grant is subject to
2 recapture by the authority. The bill provides that the amount
3 of any grant awarded under the program is deducted from the
4 worker's net income to the extent included for state income tax
5 purposes.

6 The bill requires the authority to adopt rules to implement
7 and administer the bill. The bill also permits the authority
8 to adopt emergency rules.

9 The authority must submit a report to the general assembly
10 and the governor's office providing details related to the
11 grants and grantees. The report is due by January 31 of every
12 year for the immediately preceding calendar year.